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FINANCIAL TIMES

No. 27,164 Friday January 7 1977 \*\* \*12p

There are no finer springs than Springs by Riley

NEWS SUMMARY

British family freed in Sudan

A British family, held by rebels in Ethiopia since last May, has been released alive and well in Sudan.

Richard opens talks with Machel

Weather takes its toll on the roads

Schmidt visit

Murdoch rebuff

Briefly

CHIEF PRICE CHANGES YESTERDAY

£178m. GEC plan to overcome dividends curbs

GEC, the cash-rich group which is Britain's largest electrical company, is to carry out an unprecedented capital reconstruction involving the issue of £178m. of variable interest capital notes.

The move is a prelude to a developments plan at GEC, in which 1974-75 made pre-tax profits of £207m.

Inhibited

Concessions by miners on retirement

MINERS' and National Coal Board officials are inching towards a settlement of the demands for early retirement.



Sir Derek Ezra: Present pension scheme must not be jeopardised.

Dunford and Elliott rejects improved takeover offer

DUNFORD AND ELLIOTT closed 1p higher yesterday at 47p, which values Dunford's existing equity at £5m.

Meriden plea for £1m. aid refused

THE GOVERNMENT has refused a request for £1m. of further financial support for the Meriden motor cycle co-operative near Coventry.

Higher sales

The effect of the Government decision on aid could spell the end of Meriden, which is now the only substantial U.K. manufacturer in the motor-cycle industry.

Silkin sets 20% farm price ceiling

BRITAIN HAS told its Common Market partners that it will not accept price increases for U.K. farm products of more than 20 per cent over the next 12 months.

The package of 1977-78 farm price proposals is not expected to be published until February.

Proposal to amend ICI profit-sharing scheme

PROPOSALS FOR revamping power of ICI's Board to fix the annual bonus with a 23-year-old employee profit-sharing scheme and passing it on to a new design to survive both unpre-



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ay

Table of price changes for various commodities and financial instruments.

Table of features and other pages for the newspaper.







### EUROPEAN NEWS

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## Soviet moves to raise oil price

By Our Foreign Staff

THE SOVIET Union has taken the first steps towards raising its oil prices to levels set by the recent OPEC meeting in Qatar. The Soviet Union is the world's largest oil producer, and it exports some 60m. tons to non-Communist countries annually. Under the terms of a new oil export deal with India, the first major one concluded by the Russians since Qatar prices of crude oil and petroleum products are to be brought up to world levels. However, it is not yet clear whether this means a rise of 5 per cent, as approved by Saudi Arabia and the United Arab Emirates, or 10 per cent, demanded by the rest of OPEC. India is to receive 5.5m. tons over the next four years, beginning with 1m. tons this year. Finland, the largest West European buyer of Soviet oil with some 7m. tons a year, is currently negotiating a new delivery deal which sources in Helsinki expect to be based on higher prices. A rise of 10 per cent has been mentioned.

In London, a Soviet oil trade source said last night that exports to the world market were always sold at the going rate. But because of the confusion caused by the two-tier OPEC system, a new price for Soviet oil had not yet been fixed. "We have started our negotiations," he said, "but we are waiting to see what final world price emerges."

Oil revenues represent a vital source of income to the Soviet Union, accounting for up to a third of its hard currency earnings. Moscow was sharply critical of the OPEC decision not to increase prices further, blaming it on the "uninfluenced" Saudi Arabians. Tass said that oil exporters were entitled to receive a price which reflected the drop in purchasing power due to capitalist-bred inflation. Figures of around 50 per cent were mentioned.

Because of difficulties in increasing oil production fast enough, the Russians were plainly hoping to raise their revenues through higher prices rather than higher volume. The bulk of Soviet oil exports, however—some 70m. tons—goes to East Europe where prices are set under a five-year sliding average. The OPEC rise will not immediately affect these sales, though prices were due to go up anyway as the sliding average included more high price years. The East Europeans are now estimated to be paying some 42 roubles a ton. This works out at \$60 at the official rate of exchange compared with the world market price of \$90 to \$95.

## EEC price rises

Consumer prices in the EEC are rising fastest in Italy and Ireland, while West Germany retains the best anti-inflation record, according to EEC figures published yesterday. Reuter reports from Brussels. Prices in Italy rose by 21.3 per cent, in the 12 months to the end of November. In Ireland, the rise was 20.6 per cent, but was only 3.7 per cent in West Germany. The UK rise was 14.0 per cent.

## ROME ALTA MODA 18-21 January, 1977

The Italian High Fashion Collections "Spring-Summer 1977". Reserved for Buyers and International Press Participating Fashion Houses: Balestra, Barocco, Biki, Brioni, Brugnoli, Capucci, Centinaro, Coccoli, Di Lazzaro, Fabiani, Franco, Galitzine, Gregoriana, Lancetti, Lang, Litrico, Milla Schoen, Filippo Nativo Calandra, Andrea Odicini, Ognibene Zandman, Palazzi, Piattelli, Riva, Sarli, Siviglia, Tita, Rossi, Tiziani, Valentino, Wanver, Zingone Grand Hotel—Sala Borromeo: Accessories Show Sala Gritti: The Europel Group Leather Goods Selection CAMERA NAZIONALE DELL'ALTA MODA ITALIANA 3, Piazza Araceli—00186 Rome (Italy)—Tel 8794390-8794591 in collaboration with: CENTRO ROMANO ALTA MODA ITALIANA (Rome)

## SPAIN SEEKING CLOSER TIES WITH NATO

# Pledge to keep forces out of politics

BY ROGER MATTHEWS

A NEW role for the Spanish armed forces designed to integrate the military closely with overall Western defence and prevent it interfering in domestic politics was outlined by Deputy Premier Lt-Gen. Gutierrez Mellado in a major policy speech today. Speaking at a reception in the Royal Palace attended by King Juan Carlos, the Government and other military leaders, the General pledged the total loyalty of the armed forces to the King and warned strongly against indiscipline. "We want nothing more than to be good soldiers," he said, "emphasising that orders had to be obeyed as much by senior officers as by ordinary troops."

Recognising the "temptation to abuse power"—a guarded reference to the political activities of certain Right-wing officers, some of whom have recently lost their jobs—Gen. Gutierrez Mellado forecast a full reorganisation of the armed forces designed to shift them towards solely professional activities. "There is no greater frustration for a military unit than to be below the required or necessary standard. The armed forces are faced with serious problems but we are determined to overcome them," he said. To this end the general suggested a complete overhaul of the Spanish defence industry, the stimulation of research and development programmes, plus much closer co-operation with other nations in the production of armaments.

He also implicitly suggested a smaller, better trained army by promising that the present system of compulsory military service would be re-examined. At the same time, he welcomed the withdrawal of the military from its previous judicial role which meant that civilians argued with certain terrorist offences could be tried by court martial. The whole tenor of the speech gave public weight for the first

time since the death of General Franco to the more liberal military theory that in order to guarantee a peaceful transition to a democratic state basic army thinking had to be radically changed. Clearly, King Juan Carlos and Gen. Gutierrez Mellado are now working towards rapid membership of the North Atlantic Treaty Organisation (Nato), a major re-equipment of the armed forces, and a purely professional type of officer in line with other Western nations.

In his reply, the King also referred to the necessity of improving the efficiency of the armed forces and echoed the need to maintain discipline "however difficult that might be to preserve in certain circumstances." Prime Minister Adolfo Suarez to-night held talks with West German Chancellor Helmut Schmidt who has been on holiday in the south of Spain. The two men were due to discuss a range of issues including possible

Spanish membership of Nato, the Common Market and the serious difficulties facing the Spanish economy. Sr. Suarez, who is now understood to have been fully alerted to the serious deterioration in the economy, may have also taken the opportunity to sound out his West German counterpart on the possibility of further substantial aid to finance the country's serious balance of payments deficit. One morning newspaper today suggested that the wealthy members of the extreme Right may be trying "to destabilise" the country by forcing down the three stock exchanges. The Madrid exchange index dropped nearly 3 per cent, in the first two sessions of the New Year, a fall that would have been far larger had it not been for the

to-night held talks with West German Chancellor Helmut Schmidt who has been on holiday in the south of Spain. The two men were due to discuss a range of issues including possible

anything, the other way. China also accepts credits and is prepared to co-operate with foreign organisations, though no Communist country now grants concessions as such. In a sizeable section on defence, the constitution says that the army is led by the ruling Albanian Workers' Party, and it bans the stationing of foreign bases or military forces in the country. The constitution also declares as treason the act of signing or accepting the country's East Europe, where direct and indirect taxes are levied. In all, the constitution appears to be thoroughly Albanian in character. It differs in many basic respects from other East European constitutions and owes little to China, which is notoriously vague on the subject.

Albania reaffirms its policy of self-reliance

## Albania reaffirms its policy of self-reliance

BY DAVID LASCELLES

ALBANIA'S NEW constitution, which has just come into force, contains unique provisions designed to reinforce the country's independence. It forbids the granting of concessions to, or the creation of joint economic ventures with "capitalist, bourgeois and revisionist monopolies and states," as well as the acceptance of credits from them. In other words, Albania will only trade abroad by means of its own resources. This goes far beyond policy elsewhere in East Europe, where the trend is, if

East European constitutions now proclaim solidarity with the Soviet Union. The tone is set by Article 14, which says: "In the construction of socialism, the People's Republic of Albania relies primarily on its own efforts." This is emphasised by the key Article 28 on foreign trade. This forbids the granting of concessions to, or the creation of joint economic ventures with "capitalist, bourgeois and revisionist monopolies and states," as well as the acceptance of credits from them. In other words, Albania will only trade abroad by means of its own resources. This goes far beyond policy elsewhere in East Europe, where the trend is, if

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## German industrial orders steady, production falls

BY ADRIAN DICKS

BONN, Jan. 6.

NEW ORDERS to West German industry during November remained at the same level as in October, according to provisional figures issued by the Economics Ministry today. Meanwhile, industrial production during the month fell slightly. The new orders figures showed a 1.5 per cent increase in the category of capital goods than in other sectors, with foreign demand apparently holding up fairly well. Foreign orders for West German capital goods were up by 2 per cent from October, compared with a 0.5 per cent fall in domestic orders to the same industries. More remarkably, however, foreign demand for West German consumer goods fell sharply by 12.5 per cent during Novem-

ber, while domestic demand was also down by 1.5 per cent. The Economics Ministry explained part of the 2.5 per cent drop in new orders between August/September and October/November as being due still to the distorting effects of a few very large overseas orders for electrical generating equipment during the summer, by comparison with which all the subsequent new orders figures have seemed unfavourable. However, new orders in November were 10 per cent up from November 1975 and 9 per cent higher during the two months April/May. Compared with the spring, new capital goods orders alone increased by 19 per cent.

## Russian dissidents charged

BY DAVID SATTER

MOSCOW, Jan. 6.

SOVIET authorities have begun criminal proceedings against the single most important dissident group in the Soviet Union. Doctor Yuri Orlov, the leader of the 12-member committee to monitor Soviet observance of the Helsinki agreement, said today that investigators from the Moscow Prosecutors Office had told him that the case involved charges of slandering the Soviet system. Dr. Orlov was interrogated for seven hours yesterday after being seized on the street by plainclothes policemen as he was on his way to a news conference to tell correspondents about the apartments of five dissidents, including his own. He said today that investigators had told him that he is presently considered a witness in the case. The charge of "spreading deliberate falsification slandering the Soviet system" is the weakest political charge under which dissidents can be prosecuted in the Soviet Union. It carries a penalty of up to three

years imprisonment. However, recent events suggest that more serious charges could be placed later. Christopher Bobinski writes from Warsaw: The Polish Prosecutor General Mr. L. Czubinski yesterday told the Polish Parliamentary Interior Affairs and Justice Committee that complaints that the police had used "impermissible methods" against persons suspected of disturbing the peace in Radom and Ursus last June have been investigated and found to be "baseless." The statement, which was made in the presence of the Parliamentary Marshal Mr. S. Guwra, may indicate an escalation of the campaign against the Warsaw-based Workers Defence Committee (WDC). It also shows that the authorities have decided to close ranks on the issue of alleged police brutality last June and will not be persuaded to set up a special Parliamentary commission of inquiry.

## Revelations in French murder inquiry

By Robert Mauthner

PARIS, Jan. 6. THE INVESTIGATIONS into the Christmas Eve murder of Prince Jean de Broglie, a former Minister and member of President Giscard d'Estaing's Independent Republican Party, have uncovered a hornet's nest of allegedly shady financial transactions, which could prove a serious embarrassment to the Government. The French Press, sceptical from the very beginning about the official version of the killing given by Mr. Michel Poniatowski, the Interior Minister, at a Press conference only a few days later, has been unusually assiduous in following up the crime. Initial criticism of the Interior Minister, for having named the guilty before anybody had been formally charged, was voiced not only by the newspapers but also by the Ministry of Justice and the French Magistrates' Association. This has now given place to the publication of documents which seem to suggest that there is much more to the case than meets the eye. M. Poniatowski claims that the killing was organised by two of M. de Broglie's business associates to avoid repayment of a Fr.4m. loan granted to them by the former Minister for the financing of a Paris restaurant, but with every day that passes this appears increasingly to be a gross oversimplification. Suspicion has been fed by the involvement in the affair of a police inspector with a dubious record, M. Guy Simoné, who, according to the police, has confessed that M. de Broglie's business partners, M. de Ribemont and M. de Varga, commissioned him to recruit the killer. Even more sensational was M. Simoné's statement to the police that some other highly-placed person, who wanted M. de Broglie out of the way, was involved in the crime.

## Italian Government on collision course with unions

BY DOMINICK J. COYLE

ROME, Jan. 6.

THE ITALIAN Government has put itself on what amounts to a collision course with Italy's three major trade union federations with its plans to step up its anti-inflation programme this by some 5 per cent, while The Government proposes to make major changes in the existing pattern of threshold payments to workers, to effectively ban meat sales on some days and the use of air-conditioning. The outcome of this confrontation between the unions and the five-month-old Christian Democrat minority regime of Sig. Giulio Andreotti could well determine whether the Government can survive. Critical talks between Sig. Andreotti and senior union leaders on anti-inflation policies broke down in the early hours of this morning, and the Government now has to decide between capitulating to the unions and imposing its proposed measures by statutory means. It can do this immediately through decree laws, but these require subsequent endorsement in Parliament where the Andreotti Government has no working majority and depends for its survival on the tacit backing of the Communist Party which, for all practical purposes in this debate, is just about synonymous with the country's most powerful union. Union leaders said following the abortive meeting with Sig. Andreotti and his senior economics ministers that any significant interference with the present highly inflationary quarterly indexation arrangements for Italian workers would not be tolerated. The Government has not as yet threatened to take unilateral action, but union leaders suggested that any such decision would not go unanswered. Speculation here today was that a national strike would be the unions' most likely response to a magazine poll published in Italy's inflation rate this year. day. Reuter reports.

# Paying for Electricity and Gas. A Code of Practice.

We in the Gas and Electricity industries have always wanted our customers to enjoy the benefit of regular supplies.

So long as those supplies are paid for promptly.

Most people do pay their bills on time. But some find paying difficult because of genuine hardship.

We want to help and advise people as much as we can. So we have produced a Code of Practice which has been agreed with the Government.

*The Code explains how we can help all customers who want to budget wisely for their bills. There are pay-as-you-go schemes to suit many different needs.*

It also explains how we can help to safeguard genuine hardship cases against disconnection.

We're particularly concerned to protect pensioners, breadwinners who are unemployed, and families who get Supplementary Benefit or Family Income Supplement, or who have children under five years of age.

Copies of the Code are now available at all Gas and Electricity Board showrooms.

As the Code points out, we have a duty to see that bills are settled promptly. This is in everyone's interest. But where customers genuinely do need assistance, then within the Code, we will do everything we reasonably can to help.

Payment of Domestic Electricity and Gas bills. A Code of Practice.

AMERICAN NEWS

NYC may increase taxes, cut staff as deficit rises

BY STEWART FLEMING NEW YORK, Jan. 6. PROPOSALS to increase further New York City's real estate taxes, and to cut the city's work force by a further 2,000 people, including some 1,500 policemen, are believed to be under consideration by the city administration under Mayor Abraham Beame.

Army 'defrauded in S. Korea'

BY JUREK MARTIN WASHINGTON, Jan. 6. SENATOR William Proxmire alleged today that the U.S. Army still believes it is the victim of fraudulent bidding practices on the part of South Korean interests in the awarding of military contracts.

Special post in Senate for Humphrey

WASHINGTON, Jan. 6. DEMOCRATS in the U.S. Senate have created a special post for their veteran Hubert Humphrey, who withdrew his challenge for the Senate Democratic leadership yesterday knowing that he would lose.

SOVIETS ATTACK FORD STATEMENT

MOSCOW, Jan. 6. A LEADING Soviet political commentator today accused President Ford of open interference in the affairs of the incoming Democratic administration of Mr. Jimmy Carter by urging increased defence spending.

Pan Am, TWA accord supported

BY JAY PALMER NEW YORK, Jan. 6. PAN AMERICAN World Airways and TransWorld Airlines approval of the exchange. The swap, which was implemented in early 1975, was described by both international airlines as critical to their financial survival, was threatened in the middle of last year by a technical court ruling.

Energy czar Frank Zarb won his award to fly round the country urging business and civic groups to conserve fuel.

automatic lifts still have operators. The Navy was a big fiasco winner for using taxpayers' money, and 64 aircraft, to fly 1,334 officers to the Las Vegas Hilton for a reunion of a private association of pilots and former Navy pilots.

Argentina cost of living rises 347.5%

BUENOS AIRES, Jan. 6. THE ARGENTINIAN Economy Ministry has reported that the increase in the cost of living last year was 347.5 per cent. This is slightly up from 1975, when the increase was 335 per cent, and may be the highest cost of living increase in the world for 1976.

Venezuelan imports reach record \$5.9bn.

CARACAS, Jan. 6. PRELIMINARY Government estimates show that Venezuela imported goods valued at some \$5.9bn last year, 22 per cent up on last year and an all-time record.

Demands by opposition in India

NEW DELHI, Jan. 6. THE OPPOSITION Congress Party president Mr. Asoka Mehta has demanded that there should be no preconditions on either side for any dialogue between the Government and the opposition, and has sought the release of all political detainees.

Hong Kong's economy could grow by a healthy 6 per cent in 1977.

Philip Bowring reports. POLICE AND crowd barriers had to be brought in to Hong Kong's central business area a few weeks ago to control a somewhat unruly crowd of several hundred people which had built up around an office block. The steel outer portaculis had had to be put down to prevent a stampede inside.

OVERSEAS NEWS

Hint of rehabilitation for disgraced China moderate

PEKING, Jan. 6. that the situation in China was stable, despite reports in recent weeks by provincial radio stations referring to violence in 12 of the 29 provinces and municipalities, including "all-round civil war" in south-western Szechwan.

Tension rises again in Beirut

BY OUR FOREIGN STAFF BEIRUT was reported tense black-out from the Lebanese capital on other developments yesterday after right-wing Christian militia men had erected barricades between the eastern sector of the city and the Moslem one.

Syria hangs terrorists

DAMASCUS, Jan. 6. SYRIAN authorities hanged three people today after a state security court found them guilty of committing acts of terrorism, Damascus Radio announced.

New worries for Rabin

TEL AVIV, Jan. 6. THE SUICIDE of the Minister of Housing in the Rabin Government, Mr. Abraham Ofer, will not halt police enquiries into corruption allegations, and is likely to haunt the Labour Party for some time.

Hong Kong's economy could grow by a healthy 6 per cent in 1977.

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Indonesia slows state spending growth

JAKARTA, Jan. 6. THE INDONESIA Budget for the year from April 1, announced by President Suharto today, shows a return to stability following the Pertamina crisis but the slowest growth in expenditure for some years.

Sri Lanka unions head for clash

A dangerous confrontation between the Sri Lanka Government and major trade unions has become almost inevitable with yesterday's decision by striking rail workers to defy a Government ultimatum to return to work the deadline of which expired yesterday.

Africa schools

Many more black pupils attended school yesterday following the previous day's minimal turnout for the start of the school year. Most primary schools reported a turnout of 50 per cent and higher.

ON OTHER PAGES

International Company Nestlé: Firelli rumours: Teatronic discussions: Farming and Raw Materials: EEC farm policy.

JPY 100/1250

WORLD TRADE NEWS

Indonesia slows state spending growth

By Hamish MacDonald

JAKARTA, Indonesia's President Suharto has announced that the country's state expenditure will be kept within 10 per cent of the 1976 level in 1977.

U.S. motor companies hold off foreign competitors

BY JAY PALMER

TOTAL UNITED STATES new car sales rose 17 per cent from 8.6m. to 10.1m. in the full 12 months of 1976. Unlike some previous years when the main surge came from the importers, the domestic U.S. car makers managed to grab a much larger share of the market with an annual sales rise of 22 per cent. Sales of imported cars during the year fell 3.5 per cent from 1975 levels.

U.K. vehicle exports up by 24% in November

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

AN IMPROVED performance from British car exporters, combined with similarly strong overseas sales by commercial vehicles and component manufacturers, pushed the U.K.'s motor vehicle exports up by almost 50 per cent in November.

Figures released by the Society of Motor Manufacturers and Traders yesterday also show that overall exports have moved ahead by almost 30 per cent over the first 11 months to a total of £3bn.

Seddon may use DAF outlets

By Terry Dodsworth

SEDDON Atkinson, the British subsidiary of International Harvester, is looking at the possibility of using the DAF commercial vehicle distribution network on the Continent as a means of launching an export drive on the Continent.

Table with columns for Company, 1976, 1975, and % Change. Lists major U.S. car makers and their sales figures.

Ford claims leadership

FORD of Europe predicted yesterday that the final sales returns for 1976 will show that it has become the top selling car manufacturer in the EEC and EFTA markets.

Japan and Egypt plan trade pact

BY DOUGLAS RAMSEY

JAPAN and Egypt hope to conclude a treaty in talks later this month in Cairo which would guarantee Japanese investments in Egypt against expropriation or war damage.

The treaty, which specifies reciprocal guarantees for Egyptian investment in Japan, will then go to Japan's Diet for ratification before the May end of the present session.

Invoicing in foreign currency up

IN RESPONSE to the fluctuations in currency exchange rates, in particular the decline in the sterling exchange rate, and an increasing interest in how much of the U.K.'s overseas trade is invoiced in foreign currencies, the Department of Trade has produced figures on this.

Lucas optimistic on Soviet engine deal

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

LUCAS Aerospace is still waiting for Governmental ratification of its planned £10m. engine controls deal with the Soviet Union, but sees no reason why it should not go through.

Dutch newsprint mill

BY MICHAEL VAN OS

A NEW newsprint mill with an annual capacity of about 150,000 tons will be built with Dutch Government participation at Renkum, Gelderland Province.

Canada gives details of TV import curbs

By James Scott

TORONTO, Jan. 6. THE CANADIAN Government has clarified its announcement of the withdrawing of the British preferential tariff for colour television receivers of 16-inch screen size and larger for the year.

It will maintain the present 15 per cent. tariff on imported TV receivers for the years 1977 to 1981 inclusive. In addition, Canadian TV receiver manufacturers will be eligible for remission of duty on imported components from January 1 this year until the end of 1981.

£60m. Iraq order

BERLIN, Jan. 6.

A WEST BERLIN engineering consultant company, Berlin Consult GmbH has been awarded an Iraq contract to build turkey slaughtering, meat processing and cold storage plants said to be worth in excess of DM240m.

Sri Lanka unions head for clash

SRI LANKA trade union leaders are expected to clash in the coming weeks over demands for a 20 per cent wage increase.

Brentnall Beard (Holdings) Limited

Record profits for eighth successive year. Big overseas expansion. Profit & Appropriation Year to September 30 1976. Group Brokerage 2,775,931. Pre-tax profits 603,382. Tax 314,069. Net Profit 289,313. Dividends 68,984.

"With export cover, we sell millions more!"



"For us, quite big money is involved in meeting export orders. Without ECGD cover we'd be looking at the size of our commitment and saying 'My goodness, wait a bit!' It makes all the difference when you know you're insured against not getting paid."

Judd warning on aid

BY RUPERT CORNWELL

BRITAIN will have to leave many of its traditional industries to the Third World and concentrate on high technology areas, if there is to be any real improvement in the lot of the world's poor.

Hawker wins £6.25m. ME contracts

Contracts to construct several power stations in the Middle East totalling some £6.25m. have been awarded to units of Hawker Siddeley Group, the company said.

Dell for Iran

Mr. Edmund Dell, Secretary of State for Trade, is to lead the British delegation to the fifth meeting of the U.K.-Iran joint ministerial commission on trade and economic development to be held in Tehran next week.

Cuban reactor

COMECON has announced plans to build an atomic power station in Cuba, says News Agency said.

Steel cutback

Nippon Kokan Kaisha (NKK) and Nippon Steel said they plan to reduce capital outlay for the fiscal year 1977 as a sharp recovery of steel demand is not expected.

Parts for Skoda

Skoda, the Czech motor manufacturer, has placed an order worth about £500,000 with Torrington of Coventry for components for the new Skoda, to be announced later this year.

Eximbank rates

In an effort to counter aggressive competitive financing terms offered by other industrial powers, the U.S. Export-Import Bank is lowering its annual interest rates on direct credit authorisation for American export sales.

Dutch contract. The Dutch OGBM company announced in Rotterdam that it has secured a contract in Saudi Arabia worth Fl.1.4bn. to participate in the country's priority housing construction programme.

PERSONAL. FURTHER 25% for similar wanted by... at Glasgow, Belfast, Leeds, Manchester, Birmingham, Cambridge, Bristol, London West End, Croydon or Tottenham offices or Jean Swales, Information Section, ECGD, Aldermanbury House, London EC2P 2EL. (Tel: 01-606 6619. Extn. 255).

HOME NEWS

Chemical recovery slower than hoped

BY RHYS DAVID, CHEMICALS CORRESPONDENT

THE CHEMICAL industry is recovering more slowly than expected from the recession. Growth in output last year is unlikely to have reached the 10 per cent. rate forecast three months ago.

Swan Hunter wins £16m. order for two roll-on roll-off ships

BY JOHN WYLES, SHIPPING CORRESPONDENT

SWAN HUNTER Group yesterday became the first British shipbuilders to announce new orders in 1977 with the disclosure that Ellerman Lines had ordered two roll-on roll-off ships worth £16.4m.

Powell sets out opposition to Devolution Bill

BY RUPERT CORNWELL, LOBBY STAFF

MR. ENOCH POWELL last night set out the undying opposition of the 10 United Ulster Unionist MPs to the Government's Devolution Bill.

Tory warning on Scottish polling system

By Our Scottish Correspondent

THE GOVERNMENT is likely to be defeated on the question of proportional representation for elections to the Scottish Assembly when the Devolution Bill is debated in the Commons.

SNP willing to alter financial policy

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE SCOTTISH National Party is willing to drop part of its financial policy for an independent Scotland as a result of criticism from Scottish insurance companies.



The first of 75 buses painted silver to commemorate the Queen's silver jubilee starting a tour of London yesterday after being inspected by Lord Pensonby, chairman of the Greater London Council.

Fare rise to hit tube travellers hardest

BY IAN HARGREAVES

LONDON UNDERGROUND season ticket holders and those whose tube journeys take them outside the Greater London Council area will suffer most from the Greater London Council's decision to raise fares.

Decision on Mesa oil find imminent

By Ray Dafter, Energy Correspondent

THE MESA Group is expected to decide on a development programme for its oil discovery in the Moray Firth in the next six weeks.

Rise in machine tool orders remains modest

BY ADRIAN HAMILTON

THE MODEST improvement in the machine tool industry's order books continued last October, but the overall situation remained far from inspiring.

BBC plans 70-station road report network

BY DAVID BISHLOCK, SCIENCE EDITOR

A £2M. SCHEME to provide motorists with up-to-the-minute news about driving conditions for a few miles around them is being proposed by the BBC.

Paraffin up by 3 1/2 p a gallon to-day

BY RAY DAFTER, ENERGY CORRESPONDENT

THE MAXIMUM price of paraffin is going up by 3 1/2 p a gallon to-day, pushing the cost of the fuel in some areas to nearly 50p a gallon.

CAA meeting to examine European air fares

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

A SUBSTANTIAL number of airlines, travel agents and other interested organisations will meet next week with the Civil Aviation Authority to discuss existing levels of European air fares.

Fight to save 1,000 jobs

BY RAY PERMAN, SCOTTISH CORRESPONDENT

A DEPUTATION from Fife will meet Ministers next week to oppose the threatened closure of the Redpath Morrison Long oil rig construction yard at Methil.

EEC company law published

THE COMPLETE text of the second EEC company law directive, adopted by the Council of Ministers in Brussels on December 13, is published in today's Trade and Industry magazine.

Slater claim of £8m. fortune in 28-page court statement

FINANCIAL TIMES REPORTER

CLASHES between counsel for the Singapore Government and defence lawyers led to a vital statement by Mr. Jim Slater yesterday at his extradition hearing.

Advertisement for Harnischfeger Corporation. It features a large number '\$45,000,000' and the text 'Harnischfeger Corporation Notes due 1995'. Below this, it lists various international offices including New York, Atlanta, Boston, Chicago, Cleveland, Dallas, Los Angeles, Philadelphia, Pittsburgh, San Francisco, London, Athens, Geneva, Melbourne, Montreal, Tokyo, and Zurich. At the bottom, it identifies 'The First Boston Corporation' as investment bankers and a member of the New York Stock Exchange.

Advertisement for Scottish move to boost engineering. It states 'A CAMPAIGN to increase the volume of business done by engineering component and service companies in Scotland and benefit the economy by contributing to import substitution is to be launched by the Scottish Council (Development and Industry)'. It also mentions a 28-page statement made recently by Mr. Slater.

Advertisement for CLUBS. It lists 'GARGOYLE 59, Dean Street, London, W.1' and 'THE GREAT BRITISH STEEP' with contact information for both.



Machine modes to reach '76 level

Car sales forecast to reach '76 level

Optimism

Major role sought for airport

Compensation decision must await report

Accles & Pollock senior post

Appointment

Fortune

Appointment

Appointment

HOME NEWS Vauxhall plans U.K. Cavalier

BRITISH CAR production is likely to receive a substantial boost this year from plans by Vauxhall, the General Motors subsidiary, to bring manufacturing of its Cavalier model to the U.K.

Policy study institute proposed for Britain

THE ESTABLISHMENT of an institute of policy studies that would bridge the gap between policy-makers and academics is being considered by a committee formed by the Social Science Research Council.

Compensation decision must await report

THE DECISION on whether children who suffer brain damage from whooping cough vaccinations should be paid compensation will not be made until the Royal Commission on Civil Liabilities reports later this year.

Accles & Pollock senior post

Mr. D. J. S. Asson has been appointed managing director of ACCLES AND POLLOCK, a member of the steel tube division of TUBE INVESTMENTS.

NEW ZEALAND 7 1/2% Sterling Deutsche Mark Bonds 1978

S. G. WARBURG & CO. LTD., announces that Bonds of £1,200,000 have been drawn in the presence of a Notary Public for the redemption on instalment due 5th February, 1977.

Table with columns for bond numbers (e.g., 10000, 10001) and corresponding values for different currencies and interest rates.

On 5th February, 1977 there will be a draw and payable upon each Bond drawn for redemption, the principal amount thereof, together with accrued interest to said date at the office of:- S. G. WARBURG & CO. LTD., 30, Gresham Street, London, EC2P 2EB.







# The Management Page

EDITED BY JOHN ELLIOTT

John Elliott looks at a report which is intended to give a new lease of life to ICI's 23-year-old profit-sharing scheme

## Added value plan for distributing ICI's wealth

AT A TIME when ideas for worker participation are concentrating on worker director and other trade union based proposals for industrial democracy, one of the oldest forms of employee involvement is about to be given a new lease of life by ICI. To-day its 93,000 monthly and weekly paid staff will be given a summary of a report drawn up by their own representatives with the company's management which proposes that ICI's 23-year-old profit-sharing scheme should be revamped.

The aim is to remove some of its paternalistic overtones, to make it more easily operable at a time of inflation, and to base it on an easily understood formula which links the bonus rate to the performance of ICI's business, including the wealth it creates and its employment costs. The way that is being suggested is to abandon profit as a yardstick and instead to adopt a relationship between added value (the difference between total sales income and the cost of materials and services purchased) and total employment

### A measure of performance

The concept of added value has recently started to play a more prominent role in ICI affairs. It has been used for some time within the company as a measure of performance but emerged in the 1975 annual report last year for the first time as one way of interpreting the company's results. ICI pointed out that the purpose of its business is to create wealth by adding value to the goods it buys and calculated that during 1975 it did this to the tune of £1,361m.—the difference between total sales income (as shown in the diagram) of £3,192m. and the £1,831m. cost of materials and services purchased.

This has now been adopted as a possible basis for changing the profit sharing scheme, employees about, and their under which shares are given to ICI employees on a company-wide basis that averaged £112 existing scheme is valued by each after tax in 1975. ICI

hopes that a clear added value relationship between employment costs and the total wealth produced will provide a unity of purpose, and motivating force for ICI workers.

But this does not mean that the company sees profit sharing (as it is still to be called) as a major productivity incentive, although union leaders suspect that some individual ICI managers would like to see it play a bigger role in factory-level incentives. The general ICI view, however, is that profit sharing, linking employees directly with the company, is but one part of an overall managerial and employment policy that includes a highly developed wage scheme and wide-ranging consultative processes, including new arrangements for discussions on investment plans. The question of plant level incentives are to be discussed soon between the company and its unions within the negotiated wages arena.

Profit sharing is therefore seen by ICI's top management as a means of indicating a company-wide identity and concern linking both workers and shareholders quite separately from the workers' more basic shop floor orientated interests in negotiated pay and conditions of employment. Central to this argument is ICI's interest in building an overall corporate image among its workforce; and this means that arguments used to support profit sharing in ICI would not necessarily apply in other local, regional, or product based traditions and loyalties.

So ICI does not over-play the motivational aspect of its scheme and this is reflected in today's report which says: "The effects on employees of a broadly based profit-sharing scheme, no matter how well designed and implemented, are necessarily limited. It is very doubtful if it can by its nature have a direct effect on their motivation. Its contribution is more likely to be to the background of the feelings of interest in the company."

"There is no doubt that the wide basis that averaged £112 existing scheme is valued by each after tax in 1975. ICI

is something distinctive about the company which helps to give many employees a sense that ICI is a good company to work for. It helps as one of the background factors to give employees a feeling of cohesion with others in the company and to encourage co-operation."

### Traditional union view

This statement of employee interest is significant because the report was produced by a joint management-employee committee that included 23 elected shop stewards and other worker representatives. The shop stewards were therefore backing something that unions usually dislike. The traditional union view is that profit sharing is normally a grace and favour handout as well as being a backdoor form of incomes policy because it keeps wages out of the economy. Unions also complain that it means that the worker is putting all his eggs in one basket by investing both his working life and his savings in the same company.

ICI is of course aware of this and is anxious that the sum involved each year should not form too large a proportion of an employee's total income. This is partly because it should not be large enough to cause hardship when it is cut back in bad years. In addition, it seems likely that so long as it remains fairly small and is not directly linked with factory incentives, the trade unions will not object to it or try to use it as a bargaining counter in wage negotiations.

To-day's report recommends that the grace and favour aspect should be removed because the new added value formula it has devised would replace the present right of the Board of ICI to fix the annual bonus rate in any way it chooses. It would also not significantly increase—and might well even marginally decrease—the amount paid out.

The report starts by acknowledging failings in the existing scheme which includes a lack of understanding among employees about how the profit-

related figures are calculated and about how they relate either to an individual worker's or the company's performance. The scheme therefore was "not a significant factor in stimulating employees to be any more involved in improving company performance," says the report.

To change this, three revised objectives are put forward: "To help encourage the co-operation and involvement of all employees in improving the business performance of the company; to provide tangible evidence of the unity of interest

of how the company operates financially, of business realities, and of the importance to all concerned of operating greater added value or wealth."

The existing scheme depends on the ratio of trading profit before tax to assets employed, on which the ICI Board bases its judgment on the appropriate bonus rate. Inflation has upset this calculation so the committee preparing the report looked for a "performance measure based on several factors so that the effects of inflation on any one of them is offset as far

as possible by the effect on the others." Because of this the committee ruled out profit and profitability, which also suffered from being potentially unclear and remote in the eyes of employees.

With the encouragement of the attitude adopted by ICI in its 1975 annual report, the committee therefore lighted on added value as probably being "more attractive to employees than the somewhat ambiguous profit concept."

Next the committee adopted the ratio of added value to measurement of business performance, even though they realised that it had limitations in that it did not measure utilisation of capital. But it had the advantage that both parts of the ratio were likely to be affected by inflation to a similar degree and would not be affected too significantly by any switch to a system of inflation accounting.

Next the committee moved on to develop a formula to turn the ratio into a bonus rate in a way that would be simple, firstly in its basic concept, secondly in relating the bonus rate to performance, thirdly in presentation, and fourthly in its calculation. The objective was that every employee should be able, with the help of published data and a bonus table, to calculate his bonus rate.

"In designing the formula we believe that there should be no artificial ceiling or floor to the bonus rate. The company should be prepared to consider bonus rates higher than the current 10 per cent. ceiling if the company's business performance approaches the best levels achieved by an international chemical company." Accordingly the scale adopted by the committee shows 15 per cent. when added value divided by employee costs reaches 2.42. This, the report points out, "is equivalent to the best ratio achieved by a major international chemical company of acknowledged high performance (Dow in 1974)."

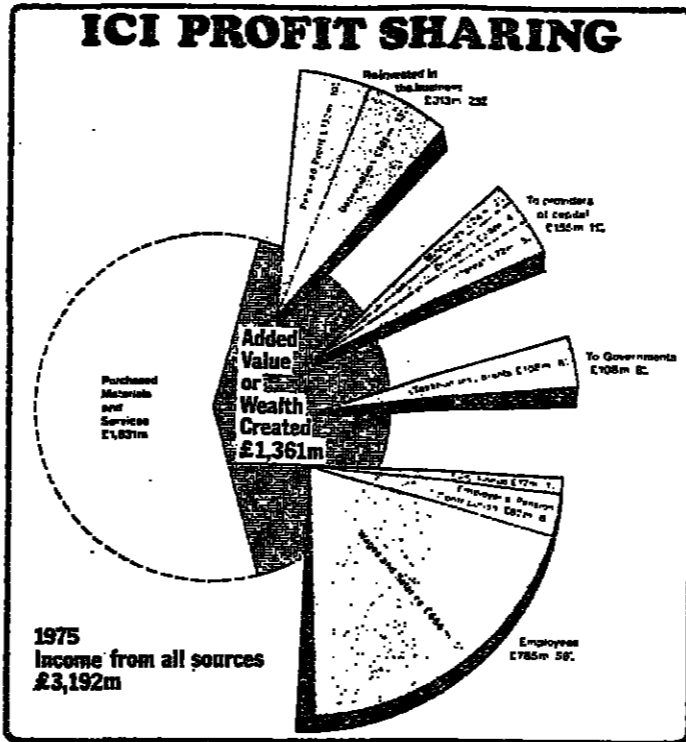
company's wealth creation put together, we do not believe a performance related bonus could be justified. At this level of performance it could be said the company was not creating sufficient wealth to sustain growth for the future." Tables prepared by the committee therefore show no bonus when their calculation falls to 1.54. The 65 per cent figure at which a bonus would not be paid compares with employment costs taking up 53 per cent of added value in 1975. The figure quoted for the American Dow Chemical Company as the best target level is however much lower, with employment costs taking up only 41 per cent of added value.

Applying this new added value approach to the 1975 figures shown in the diagram would mean that the added value of £1,361m. would be divided by employment costs of £1,831m. (the £685m. wages and salaries plus £1,146m. pensions). This produces a ratio of 1.77, which on the calculations table prepared by the committee would yield a 3.9p to the £ average wage of £70 a week. This would produce £136.50 for the year which, less tax at 35 per cent, would leave £88.72. This money would be spent on shares at about £3 each which would mean that in that year the average worker would have received about 30 shares which he could keep or sell.

### Effects of inflation

The 3.9p rate would have been less than the 5p actually paid for 1975 when the amount was related to profits and decided by the Board under the existing system. The figure would also have been lower—9.5p compared with 10p—in 1974. But for the preceding eight years it would have been larger and the average for the past ten years would have been 8.9p on the new added value formula compared with 5.8p actually paid—an increase of 19 per cent. The drop in the past two years is the result of inflation.

All these proposals will now be considered by ICI's management and by its employees as a way of binding the employees direct to the fortunes of the company.



### Business courses

First World Congress on Product Liability Law, Institution of Electrical Engineers, London, January 19-21. Further details from Bullock and Turner, 60, Highbury Grove, London N5.

Developing Procedures for Collective Bargaining, Brunel University, Uxbridge, January 11-14. Fee: £150, which includes meals but not accommodation. Further details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex.

Financial Analysis for Manufacturing Management, London, January 12-14. Fee: \$500. Further details from NYU Seminars for Industry, c/o Conference Associates, 34, Stanford Road, London W8 5PZ.

Industrial Relations in 1977, Cumberland Hotel, London, January 17-18. Fee: £90 plus VAT. Further details from European Study Conferences, Kirby House, 31, High Street East, Uppingham, Rutland, Leics. LE15 9PY.

Practical Pricing Policies, Rembrandt Hotel, London, February 1-2. Fee: £90 plus VAT. Further details from ASM, 5, The Parade, St. Johns Hill, London SW11 1TG.

Manpower Planning, Brunel University, February 8-10. Fee: £145 exclusive of accommodation. Details from The Secretary, Management Programme, Brunel University, Uxbridge, Middlesex.

How to Negotiate for Money, The Churchill Hotel, London, February 11. Fee: \$275. Further details from AMR International, 6-10 Frederick Close, Stanhope Place, London W2.

Effective Applications of Business Models, Royal Garden Hotel, London, February 14-15. Fee: \$495. Further details from AMR International, 6-10 Frederick Close, Stanhope Place, London W2.

Successful Negotiating: Strategies and Performance, Hotel Intercontinental, February 14-15. Fee: \$495. Further details from AMR International, 6-10 Frederick Close, Stanhope Place, London W2.

## How to do business in Australia & New Zealand



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## NRDC For the finance a good idea deserves

Incorporating THE FINANCIAL NEWS (Established 1884) Head Office Editorial & Advertisement Offices: BRACKEN HOUSE, CANNON STREET, LONDON EC4A 3DF...

The balance of power

FOR 30 YEARS the defensive policy of the West has been founded, in one form or another, on the idea of deterrence. In the past decade, the idea of American superiority in nuclear strategic capability has given way to parity, or mutual deterrence, but this closing of the gap has not prevented most people from assuming that the U.S. could still inflict unacceptable damage on the Soviet Union...

There are now worrying signs that the balance of opinion inside the official American defence establishment has shifted towards a significantly more pessimistic view. No official account of this new view has yet been published, and there is no reason to assume that it is as pessimistic as that of General George Keegan, who recently retired Chief of Air Force Intelligence, who believes that the Soviet Union is preparing for a war...

Nearing the end of the Meriden story

THE GOVERNMENT'S decision not to provide further assistance to the Meriden motor cycle co-operative is embarrassing but right. Conceivably the co-operative can find commercial sources of finance to keep the operation going in some form, but a painful contraction seems inevitable...

The employees involved, both at Meriden and at the other motor cycle plants which have been closed down or reduced in size, will feel a great sense of bitterness and betrayal. The whole saga, starting with the Conservatives' rescue of the BSA motor cycle business in 1973, has been one of extraordinary incompetence on the part of the Government...



Key politicians for the European stage: U.S. President-elect Jimmy Carter—his initiatives are awaited in Brussels. Mr. Roy Jenkins, a retiring new Commission President. German Chancellor Helmut Schmidt, disenchanted with Common Market Institutions. France's President Valéry Giscard d'Estaing, under pressure at home from both Left and Right.

Waning political drive in EEC

BY GUY DE JONQUIERES, Common Market Correspondent

THE European Economic Community as a framework for achieving major policy decisions is drifting into the new year in a state of considerable uncertainty and some apprehension. In the face of some of the most difficult challenges which they have faced since the first big OPEC price rise in 1973, European Governments appear to be floundering, acutely aware of the dangers which they face, but incapable of deciding on any common basis for tackling them.

One major unknown is the policies that will be pursued by the incoming Carter Administration in the U.S. Much is still unclear about Mr. Carter's thinking on a number of issues, but European governments are looking to him perhaps with more fervent expectations than to any new U.S. President in recent years to provide the key to problems which they have themselves been unable to solve.

Inconclusive outcome

The dimly inconclusive outcome of last November's Summit meeting of EEC Heads of Government in The Hague does not provide much encouragement that the Nine are yet ready to make the Community their policy-forming forum. Indeed, it tends to confirm the impression that many EEC Governments are unwilling to press for progress at the point where their national interests happen naturally to coincide. Not only were the leaders unable to agree on any constructive approach towards the faltering economy, the expected rise of oil prices, or EEC relations with developing countries...

Britain and Italy are trying to surmount economic crises which have absorbed much of their Governments' time and energies in recent months. In France, President Valéry Giscard d'Estaing is under pressure both from the Gaullists on the Right and the Communists on the Left, and neither group favours an extension of existing French commitments to the EEC.

Among the larger countries, only Germany, with its preponderant economic strength and its relatively stable political situation, is in a position to supply the kind of impetus which might give the EEC a new sense of direction. But advocates of European integration of the traditional kind look in vain to Chancellor Helmut Schmidt to provide it. While paying lip service to the ideal of European union, he has made no attempt to disguise his disenchantment with EEC institutions. His firm belief is that in order to find solutions to its most urgent problems—and particularly the central dilemma of their diverging economies—the Nine must look beyond the framework of the EEC to the wider community of industrialised nations.

All this does not mean, of course, that activity within the Community is threatened with complete stagnation. But governments have found it far easier to reach decisions designed to strengthen or defend the interests of the EEC as a major trading bloc than to promote progress towards the loftier ideals of political or economic integration. At a mundane, but important, level...

considerable progress has been made during the past year towards removing internal barriers to EEC trade through the harmonisation of industrial and consumer standards for a number of products. Two directives governing public supply contracts and changes in corporate capital have been adopted, while the Commission has sensibly discarded its old philosophy of promoting standardisation for its own sake in favour of eliminating those obstacles which really matter.

The most dramatic initiatives have been taken on the external front. In the closing weeks of last year, the Nine decided in rapid succession to apply strong diplomatic pressure to Japan to reduce the surplus in its trade with the EEC and to issue an ultimatum to the Soviet Union and eastern European countries warning them that they would have to stop fishing in Community waters unless they were prepared to negotiate new arrangements. Officially, the EEC is demanding that Japan correct the "imbalance in its trade," preferably by opening up its market to EEC exports.

The trade dispute with Japan illustrates vividly how the Nine often find it simpler to decide on external initiatives than to sort out their own internal difficulties. The same is true of the current efforts to revise the Common Fisheries Policy and, in a slightly different sense, of the question of the further enlargement of the Community, which is likely to be one of the main themes dominating EEC affairs during the rest of this decade.

The Nine have found it far easier to yield to insistent Greek demands for the start of entry negotiations into the EEC than to come to grips with the practical problems which Greece is likely to pose for the Community's own future development. Even less thought has been given to how the Com-

Current efforts

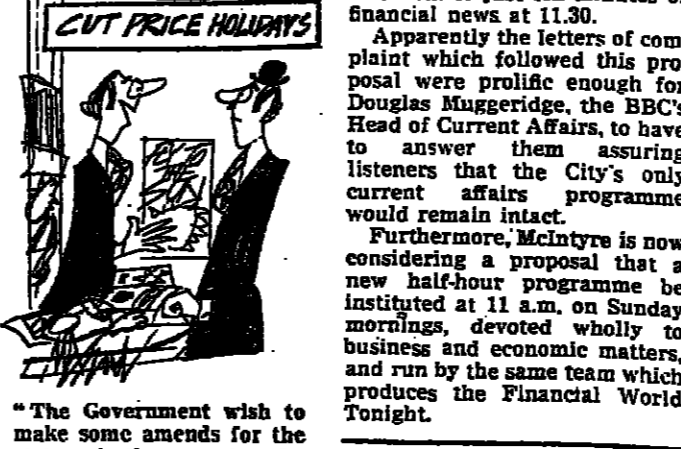
community will operate if Greece is followed in by Portugal and Spain. The least that can be said is that the difficulties which the Nine face to-day in reaching decisions will not be simplified if the EEC is enlarged to 11 or 12 members. Moreover, the admission of relatively poorer countries threatens to aggravate the existing problems of economic divergences, while the entry of Spain in particular would impose a new burden on the already overloaded Common Agricultural Policy, which might not be able to withstand it. It is almost certainly wrong to suggest that the EEC is being towards collapse: it serves many functions which European Governments find it in the interest to perform in common such as the conduct of the Community's clearly changing not so much because its members actively desire change, because they cannot decide, and in some cases seem not care too much—what kind of creature they want it to be. For this reason, believers in traditional European integration are now looking to the future directly-elected European Parliament to provide leaders which Governments have failed to supply. Their hope is that the Parliament will insist on greater role in running EEC affairs than the present nominated assembly and, by drawing its authority from the grassroots of the European electorate, be able to reach goals that have eluded politicians working nearer the summit of power. But the first direct elections are not due to be held until the summer of 1978 and even that date is not firm. When the new assembly is eventually seated, there may be much time left to steer the EEC back on to the course which pro-Europeans would like it to follow.

MEN AND MATTERS

Mixed progress on the oyster beds

How fares the middle-class oyster? As promised, here is a report on development work in Britain, the results of which seem mixed, with at least one hopeful young company going out of business but with some optimistic signs, notably in Northern Ireland. Before the First World War, well-heeled Britons consumed 10,000 tons of oysters a year. The annual figure has dropped these days to far below 1,000 tons. Any decent oyster revival would seem to depend on the creatures being turned out at prices attractive to a mass market: research to that end was carried out a few years ago by the White Fish Authority and one hatchery based on the findings was set up on Anglesey. The company was called Seed Oysters, and its backers included some sporting London bankers. The initial capital, in 1973, was £120,000, and there was a Government loan of £40,000 in late 1973. That explains why it was the Welsh Office that, three years after the loan, had Receivers appointed when Seed Oysters failed to catch on, bad weather being one factor in the failure. Better luck is being had by Savell Hicks, an Ulster industrialist, whose efforts are impressing the White Fish Authority. He declares that investors have got to sit tight for five or six years before expecting returns from the oyster business. "So many people are impatient. Lots of them have got their fingers burned." At the root of the new and not always fulfilled ambitions in this particular branch of mariculture is the Pacific oyster. Most of the edible bivalve molluscs tossed down in expensive restaurants are native, or flat oysters, which can take half a dozen years to mature and are vulnerable to frosts. The Pacific variety matures in two years and is extremely hardy. "You'd have to shoot it to kill it," says Hicks. His company, Cuan Sea Fisheries, now has 2m. oysters growing on rafts in two of Northern Ireland's lochs. The produce goes mainly to other EEC countries, but there is a growing market in North of England clubs, he reports. His interest in mariculture started 20 years ago when he served on a select committee examining the (already) declining fishing industry in the U.K. When, a few years ago, he set down to do the figures on Britain's oyster production, they came out "too good to be true. I was very suspicious." But the White Fish Authority confirms that there is a genuine potential for oyster farming, though it suspects that there have been too many hatcheries at work. Hicks acknowledges the risks: "It's very like mushrooms," he says. "You can make big money, or work like mad and lose a packet."

British Airways CUT PRICE HOLIDAYS



Closing the ring

Some modern productions of the Ring have seen the old Wagnerian themes of greed and the destruction of Rheingold bring on all who possess it as an allegory of organised labour in struggle against old-fashioned management, the both lasting after wood. So it is piquant, and sad too, that the attempt to record the whole Ring Cycle in the English National Opera's current production has foundered over a dispute between EMI and the chorus over wages. The venture was underwritten by Peter Moores, vice-chairman of Littlewoods Organisation, and one of the Moores charitable trusts. Together they have already spent over £80,000 on the first three albums, though all are selling reasonably well. But time ran out this week for recording in performance the last opera, Twilight of the Gods, and it is most unlikely that the same cast will ever be reassembled.



Northampton

Northampton is the major shopping and commercial centre for the area. New office buildings and sites are available. It has easy access to the M1 motorway and lies midway between London and Birmingham. It's an ideal centre for distribution. Northampton's new employment and residential areas are attractively landscaped. Houses are available for employees of firms moving to the town. Northampton has much more to offer. To find out how much write to L Austin-Crowe, Chief Estate Surveyor to Northampton Development Corporation, 2-3 Market Square, Northampton NN1 2EN or phone 0604 34734 and ask to speak to him.



GEC capital proposals

UNDER the Capital Reconstruction GEC proposes to issue £176,326,000 nominal of floating rate capital notes 1986 to holders registered February 11, 1977. The detailed procedure for the issue of capital notes, which involves a prior scrip issue of fully paid capital shares followed by their cancellation, will be set out in a prospectus to be issued by the Ordinary Shareholders on the following basis: 32 1/2 nominal of capital notes in respect of each Ordinary 25p share of GEC.

MINING NEWS

Threat to Canada's uranium mines

BY KENNETH MARSTON, MINING EDITOR

THE SLOW recovery of financial health made by Canada's uranium-mining industry may be stopped dead in its tracks if the Canadian Government stays put with its stand of not permitting exports to countries that have not signed agreements for nuclear export safeguards, reports our Toronto correspondent.

Cash problem

The producers find themselves in a quandary. They still are operating as usual, hoping that there will be an early and favourable resolution to this problem. This means that they are meeting all the costs of their operations but are not receiving cash flow.

Teutonic Bore excitement

THE copper-silver discovery at Teutonic Bore in Western Australia is being compared in significance with Western Mining's nickel find at Kambalda in Western Australia.

Ayer Hitam's tin output

TIN concentrate production at Ayer Hitam has fallen back to a more normal 300 tonnes in December after the exceptionally high figure of 847 tonnes attained in November. The company's output

BIDS AND DEALS

Hestiar has nothing to offer Spear & Jackson

Shareholders in Sheffield hand tools and cutlery group Spear and Jackson are strongly urged by Mr. Stephen Bartolomé, the chairman, to reject the take-over bid for the company mounted by Hestiar.

MARDON PACKAGING ACQUISITION

An agreement has been signed between Industrial Reels of Wigan and Egremont Tubes of Whitehaven, for Egremont to purchase the assets of the range of paper and metal reels and tubes manufactured by Industrial, to be completed by May 1977.

A. E. SYMES

Following the recent collapse of the David Charles building and property group, negotiations have been completed with the Receiver for A. E. Symes by the John Willmott Group to take over the majority of their contracts.

WILLIAM PRESS-JAMES SCOTT

The William Press and Sea offers for James Scott Engineering Group Ordinary and Preference shares have been declared unconditional and accepted.

in respect of 2,204,050 shares which together with a total of 25,000 shares of Ingersoll acquired by Heron during the offer period represents above 57.52 per cent

BRICOMIN BIDS FOR MENTEITH

Bricomin Investments, a subsidiary of British and Commonwealth Shipping, is bidding £2.65m. for the remaining 46.2 per cent of Menteith Investment Trust.

BRICKHOUSE DUDLEY

Brickhouse Dudley, manufacturer and distributor of drainage products for the building and civil engineering industry, has purchased the pattern equipment and goodwill of A. C. Woodcock and Co. of Beckenham, Kent, for £25,000 in cash.

NO PROBES

The following mergers are not to be referred to the Monopolies Commission: Booker McConnell and Kinloch (Provision Merchants); Hoogwerf, Lissenden BV and Bastin Feil; Trafalgar House Investments and Direct Spanish Telegraph.

HERON-INGERSOLL LONRHO/L C & W

The offer on behalf of Heron Corporation to acquire all the shares of Ingersoll BV and Bastin Feil has been declared unconditional and accepted.

Giro card cash withdrawals up to £50

FROM MONDAY Giro customers with guarantee cards will be able to draw up to £50 in cash at the post office. Giro customers will be able to make cash withdrawals and for guarantee payments by transfer or cheque, the £30 limit will still apply.

U.S. and Japanese funds are the top unit trusts

BY ERIC SHORT

U.S. AND JAPANESE oriented funds dominated unit trust performance during 1976 and headed the tables for the year, according to figures published yesterday by Planned Savings magazine.

Slater Walker Minerals), with a loss of 40 per cent, and property based trusts including S and P Property Share, down 23.6 per cent. Britannia Gold and General, which had been showing a very weak performance for most of the year, recovered strongly at the end, after the upsurge in the gold price, to finish with a loss of 21 per cent.

JAMAICA DEAL WITH KAISER

The Jamaican Government and Kaiser Aluminum and Chemical of California, are next week to sign an agreement for the 51 per cent majority interest in the U.S. firm's mining operations in Jamaica.

MINING BRIEFS

KILLINGHALL TIN—Tin output for December, 84 tonnes (compared with 125 tonnes for 1976). Coal division sales output for December 1976, 1,100,000 tons (compared with 1,100,000 tons for 1975).

RESULTS AND ACCOUNTS IN BRIEF

AMALGAMATED STORES—Turnover £210.1m for half-year to September 30. ACCOR CORPORATION—Regular quarterly dividend 15 cents per share.

TOP PERFORMING UNIT TRUSTS

Table with columns: 1 year, % Gain, 2 years, % Gain, 4 years, % Gain. Lists top performing unit trusts like M & G American, Henderson Far Eastern, etc.

MERCANTILE INVESTMENT

Mercantile Investment Trust announces that repayment was made on December 30, 1976 of the £4.5m loan of the £2m. repaid on January 31, 1977.

PLAXTON'S (SCARBOROUGH) LIMITED

Extracts from the circulated statement of the Chairman, Mr. F. W. Plaxton, for the year ended August 31, 1976: An increase of 34% in turnover produced an improvement in pre-tax profits from £768,013 to £911,210.

WILFRID OVERTON LIMITED

Higher orders and output in later months together with improved internal controls resulted in the final contribution exceeding that achieved last year.

Building. Very full activity was maintained throughout the year.

Although forecasting the outcome of this year is a hazardous task, there are factors in the market which are favourable to our Group's favour.

Our prospects overseas are better than in recent years.

Provided that we can avoid serious downturn in activity and employment levels within Heavy Engineering, we believe that profits for the current financial year should be as good as those of the year just ended.

Head Office—Whessoe Ltd., Darlington

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. against various currencies as on Wednesday, January 5. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources.

Table with columns: Country, Currency, Value of DLR. Lists exchange rates for various countries like Algeria, Albania, Algeria, etc.

SDBI=SUS1.16598

Table with columns: Country, Currency, Value of DLR. Lists exchange rates for various countries like Philippines, Poland, Portugal, etc.

(a) Approx available. (b) Multiple exchange rate system. commercial rate used. \* U.S. dollars per sterling unit.

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GEC capital proposals

UNDER the Capital Reconstruction GEC proposes to issue £176,326,000 nominal of floating rate capital notes 1986 to holders registered February 11, 1977. The detailed procedure for the issue of capital notes, which involves a prior scrip issue of fully paid capital shares followed by their cancellation, will be set out in a prospectus to be sent to holders on the following basis: 32p nominal of capital notes in respect of each Ordinary 23p share of GEC.

MINING NEWS

Threat to Canada's uranium mines

THE SLOW recovery of financial health made by Canada's uranium-mining industry may be stopped dead in its tracks if the Canadian Government stays put with its stand of not permitting exports to countries that have not signed agreements for nuclear export safeguards, reports our Toronto correspondent.

Cash problem

The producers find themselves in a quandary. They still are operating as usual, hoping that there will be an early and favourable resolution to this problem. This means that they are meeting all the costs of their operations but are not receiving cash flow.

Ayer Hitam's tin output

TIN concentrate production at Ayer Hitam has fallen back to a more normal 300 tonnes in December after the exceptionally high figure of 847 tonnes attained in November. The company's output

BIDS AND DEALS

Hestair has nothing to offer Spear & Jackson

Shareholders in Sheffield hand tools and cutlery group Spear and Jackson are strongly urged by Mr. Stephen Bartolomé, the chairman, to reject the take-over bid for the company mounted by Hestair. The offer worth around £20p at last night's closing prices is described as totally inadequate.

BRICOMIN BIDS FOR MENTEITH
Bricomin Investments, a subsidiary of British and Commonwealth Shipping, is bidding £2.65m for the remaining 46.2 per cent of Menteith Investment Trust.

CHAMBERLIN AND HILL
For £175,000 cash, Chamberlin and Hill has acquired the capital of Platt Malleable Castings and its subsidiary Arthur Morgan (Engineers).

HERON-INGERSOLL
The offer on behalf of Heron Corporation to acquire all the shares of Ingersoll BV and Bastley has been declared unconditional and is expected to be completed by January 11, 1977.

WILLIAM PRESS-JAMES SCOTT
The William Press and Sea offers for James Scott Engineering Group Ordinary and Preference shares have been declared unconditional and are expected to be completed by January 11, 1977.

Giro card cash withdrawals up to £50

FROM MONDAY Giro customers with guarantee cards will be able to draw up to £50 in cash at the post office. Giro customers with guarantee cards will be able to draw up to £50 in cash at the post office.

U.S. and Japanese funds are the top unit trusts

THE best performance of U.S. AND JAPANESE oriented funds dominated unit trust performance during 1976 and headed the tables for the year, according to figures published yesterday by Planned Savings magazine.

JAMAICA DEAL WITH KAISER

The Jamaican Government and Kaiser Aluminum and Chemical of California, are next week to sign an agreement for the 51 per cent majority interest in the U.S. firm's uranium mining operations in Jamaica. This follows heads of agreement reached in November 1974.

TOP PERFORMING UNIT TRUSTS

Table with columns: 1 year, % Gain, 2 years, % Gain, 4 years, % Gain. Lists various unit trusts like Henderson Far Eastern, Framlington Income, etc.

MERCANTILE INVESTMENT

Mercantile Investment Trust announced that repayment was made on December 30, 1976 of the £4.5m loan of the £2m preference shares, both previously due on January 31, 1977.

PLAXTON'S (SCARBOROUGH) LIMITED

Extracts from the circulated statement of the Chairman, Mr. F. W. Plaxton, for the year ended August 31, 1976: An increase of 34% in turnover produced an improvement in pre-tax profits from £768,013 to £911,210.

WILFRID OVERTON LIMITED

Higher orders and output in later months together with improved internal controls resulted in the final contribution exceeding that achieved last year.

WILFRID OVERTON LIMITED

Building. Very full activity was maintained throughout the year both on contract work and shop-fitting. In the prevailing conditions the results produced were most satisfactory.

WILFRID OVERTON LIMITED

Although forecasting the outcome of this year is a hazardous task, there are factors in the company's favour. Our 'Viewmaster' coach was very well received and we have a further healthy order book.

BANK OF AMERICA NATIONAL TRUST AND SAVINGS ASSOCIATION

World Value of the Dollar

The table below gives the latest available rates of exchange for the U.S. dollar against various currencies as on Wednesday, January 5. These exchange rates have been compiled by Bank of America NT & SA's world-wide network of branches from various sources.

Table with columns: Country, Currency, Value of DLR, Country, Currency, Value of DLR. Lists exchange rates for various countries like Australia, Canada, Europe, etc.

RESULTS AND ACCOUNTS IN BRIEF

AMALGAMATED STORES - turnover £210.1m for half-year to September 30. ACCOR CORPORATION - Regular quarterly dividend 15 cents per share. BRICKHOUSE (owners, etc.) - Results for 1976. CAPITAL GEARING TRUST - Income for 1976. DONRANAKAWA RUBBER STAMPS - Results for 1976.

PROSPECTORS - November production

PROSPECTORS - November production 17,000 tonnes (October 30,000 tonnes). KILLINGHALL YIN - Tin output for December. ANGLO-AMERICAN - Coal division sales output for December.

(a) Not available. (b) Multiple exchange rate system. commercial rate used. \* U.S. dollars per sterling unit. (c) Approximate rate. (d) Official rate. For further information please contact your local branch of the Bank of America.

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Frankfurt talks of BASF funding plans

BY GUY HAWTHIN

BASF, West Germany's second largest chemical group, appears to be planning an increase in its issued capital...

Understandably, BASF was unwilling to comment on the reports although a spokesman confirmed that their bankers...

Balanced position for mutual funds

BY RICHARD ROLFE

THE SOUTH AFRICAN mutual fund (unit trust) industry, which is capitalised at about R225m...

FRANKFURT, Jan. 6

close on the levels prevalent in the early 1970s. Analysts here believe that there is certainly no pressing need for a capital increase...

Meanwhile, to-day was an excellent day for rumours on the Frankfurt Stock Exchange...

The Dresdner Bank, somewhat miffed, said in an official statement that a capital increase was "at the present time not under discussion."

Pirelli announcement expected

BY PAUL BETTS

INDUSTRIE PIRELLI, the Italian equivalent to Dunlop, has said, referring to the serious problems at the Tealtronic components company in Nijmegen...

Reports circulating in Milan Bourse circles to the effect that the share capital of Pirelli SpA, the holding company which now controls 70 per cent of Industrie Pirelli against the 30 per cent of Dunlop Holdings...

Shares in the Pirelli family-controlled Pirelli Compagnie jumped by 9.5 per cent, closing at L.2440 after opening at L.2270.

Paris allows \$7m. U.S. deal

By Robert Mauthner

CAMPBELL SOUP, the U.S. food group, has been authorised by the French finance ministry to purchase the large French biscuit company, Gringoire-Brossard...

The deal, reported to be worth some \$7m, has been in the pipeline for some months, but was temporarily blocked by the finance ministry which was trying to find a "French solution."

At one stage, it looked as if the French group, "l'Unionessentielle" was interested in purchasing Gringoire-Brossard, but it finally withdrew from the negotiations...

Unlike Pillsbury Mills, Campbell Soup, with an annual turnover of some \$1.5bn, has considerable experience in the biscuit sector. It already controls in Europe, Biscuits Delacre, with companies in both Belgium and France...

Campbell Soup, according to informed sources, intends to rationalise its biscuit production activities in France. Its subsidiary Delacre already has an efficient and profitable factory in the Paise-de-Calais region...

Discussions on Tealtronic

BY MICHAEL VAN OS

A DUTCH Government minister has said, referring to the serious problems at the Tealtronic components company in Nijmegen...

Dr. Willem Duisenberg, the Finance Minister, was speaking in the absence of the Economics Minister, said in The Hague that a judicial investigation had been started some time ago into the financial proceedings at Tealtronic Nederland...

Meanwhile, the Dutch Parliament's Permanent Economic Committee has decided to break off its Christmas recess period for discussions with Economics Minister Mr. Ruud Lubbers in The Hague next Tuesday on the Tealtronic affair...

Stores disappoint

BY OUR OWN CORRESPONDENT

WEST Germany's two largest store groups have reported rather disappointing performances in 1976. Karstadt, Europe's largest retailing group reported that turnover, excluding that of its travel interest...

to January last year. Substantial share purchases have been made by CEAT. The Turin-based tyre and cable company and one of Pirelli's main Italian competitors, CEAT, which is controlled by the Tedeschi family, now owns a 9 per cent stake in Pirelli...

Shares in Pirelli SpA, the holding company which now controls 70 per cent of Industrie Pirelli against the 30 per cent of Dunlop Holdings...

Shares in Pirelli SpA, the holding company which now controls 70 per cent of Industrie Pirelli against the 30 per cent of Dunlop Holdings...

ROME, Jan. 6. A capital increase would also provide the financing capacity required for the company's L300bn five-year development plan agreed with the trade unions last year...

Credit Suisse, some sources claim, may subscribe to a L500m Pirelli SpA share package, but it has also been suggested that Mediocredito, which was involved indirectly in the Fiat-Lybia deal, may also be intervening on behalf of a third party...

Industry Pirelli, it is understood, has for some time been seeking an injection of fresh capital to bring the company back to profitability and to reduce the burden of its debts...

AMERICAN COMPANIES

Federal penalty on Sea Land Service

BY STEWART FLEMING

NEW YORK, Jan. 6.

SEA LAND SERVICE, the R. J. Reynolds shipping subsidiary, has agreed to pay a civil penalty of \$4m in settlement of charges made by the Federal Maritime Commission...

ing firm responsible for the day-to-day management and control of the business of that joint venture. Certain former members of the senior management of the housing company's operating divisions have significant interests in the managing partner of the joint ventures.

Singer housing disposals

MR. JOSEPH B. FLAVIN, Chairman and chief executive officer of the Singer Company, has announced that agreements have been completed to transfer substantially all of the business and real estate and related assets of the Singer Housing Company...

The business of Singer housing company consisted primarily of the development, building and sale of single-family detached and attached housing, multi-family rental housing and shopping centres in five areas: California, Arizona, Texas, Colorado and the Southeastern United States.

Proposals for Kaiser sale

KAISER INDUSTRIES CORPORATION will receive written proposals for the acquisition of its Kaiser Engineers Inc. subsidiary, according to AD-DJ in New York.

Disposal of Kaiser Engineers is in line with the previously reported plan to liquidate Kaiser Industries and distribute the proceeds among the holding company's shareholders.

United Republic of Cameroon U.S. \$15,000,000 Five-year term loan Managed by Chase Manhattan Limited First National Bank in Dallas Wells Fargo Bank N.A. and Provided by Allied Bank International Bank of Montreal Banque Intercontinentale Arabe Banque Internationale Pour l'Afrique Occidentale (BIAO) The Chase Manhattan Bank, N.A. Credit Chimique Credit Suisse Equator Bank Limited First International Bancshares Limited First National Bank in Dallas The First National Bank of Boston Wells Fargo Bank N.A. Agent Bank Wells Fargo Bank International

Citibank, N.A. is pleased to announce the opening of a Representative Office in FINLAND Citibank, N.A. Representative Office, Pohjoisesplanadi 25B Helsinki, Finland Telephone: 651-400 Telex: 12-1084 Robert C. Bennett, Vice-President and Finland Representative CITIBANK

These securities having been sold, this announcement appears as a matter of record only. \$50,000,000 CANADIAN IMPERIAL BANK OF COMMERCE 9 1/2% Debentures Te be dated October 15, 1976 To mature October 15, 1986 Early Maturity Option and Interest Rate Adjustment The holder of any Debenture may elect that such Debenture shall mature on October 15, 1986. Such election may be made only after October 15, 1985 and on or before April 15, 1986. The Bank may increase the rate of interest payable on the Debentures after October 15, 1986 provided that notice of any such increase is given on or before March 15, 1986. Price: 100 and accrued interest Copies of the offering circular may be obtained from such of the undersigned and other dealers as may lawfully offer these securities for sale. Dominion Securities Corporation Harris, & Partners Limited Richardson Securities of Canada Wood Gundy Limited A. E. Ames & Co. Limited Greenshields Incorporated McLeod, Young, Weir & Company Limited Burns Fry Limited Pitfield, Mackay, Ross & Company Limited Nesbitt Thomson Securities Limited Merrill Lynch, Royal Securities Limited Midland Doherty Limited Bell, Gouinlock & Company, Limited Cochran Murray & Wisener Limited Crang & Ostiguy Inc. Equitable Securities Limited Lévesque, Beaubien Inc. Walwyn, Stodgell & Gairdner Ltd. C. J. Hodgson, Richardson Inc. McLean, McCarthy & Company Limited Burgess Graham Securities Limited Casgrain & Company Limited Bongard, Leslie & Co. Limited Odum Brown & T. B. Read Ltd. Pemberton Securities Limited Houston Willoughby Limited Scotia Bond Company Limited Davidson Partners Limited Wills, Bickle & Company Limited Mead & Co. Limited Bache Halsey Stuart Canada Ltd. Jones Heward & Company Limited John Graham & Company Limited René T. Leclerc Incorporée J. B. White & Company Limited Brantley Cathers Limited Jones, Gable & Company Limited Draper Dobie & Company Limited F. H. Deacon & Company Limited Geoffrion, Robert & Gélinas Ltd. Tassé & Associés Ltd. Andras, Bartlett, Cayley Ltd. Braut, Guy, O'Brien Inc. Gendron, Norris, Osler Inc. Nelson, Rousseau & Co. Limited MacDougall, MacDougall & MacTier Ltd. Moss, Lawson & Co. Limited Edward Glasgow & Co. Ltd. John C. L. Allen Limited

Handwritten Arabic text: سكران الاموال

INTERNATIONAL FINANCIAL AND COMPANY NEWS

Frankfurt talks of BASF funding plans

BY GUY HAWTHIN

BASF, West Germany's second largest chemical group, appears to be planning an increase in its issued capital...

FRANKFURT, Jan. 6

close on the levels prevalent in the early 1970s. Analysts here believe that there is certainly no pressing need for a capital increase...

Balanced position for mutual funds

BY RICHARD ROLFE

THE SOUTH AFRICAN mutual fund (unit trust) industry, which is capitalised at about R225m...

JOHANNESBURG, Jan. 6

means that the funds as a whole are holding some R33m more in cash or approved securities...

Pirelli announcement expected

BY PAUL BETTS

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ROME, Jan. 6

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Paris allows \$7m. U.S. deal

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The deal, reported to be worth some \$7m, has been in the pipeline for some months, but was temporarily blocked by the finance ministry which was trying to find a "French solution"...

Discussions on Tealtronic

BY MICHAEL VAN OS

AMSTERDAM, Jan. 6

A DUTCH Government minister has said, referring to the serious problems at the Tealtronic components company in Nijmegen, that there are "strong indications" that there may have been a case of fraud involving the large sums of government money which have been injected into the company in the past two years...

the former Singer business machines Dutch offshoot, there are two government-appointed members of the Supervisory Board. The English former managing director of Tealtronic resigned in October, and he has left Holland. Mr. Wieringa's labour party certainly does not shy from increased Government participation in the private sector in Holland, his concerns at the Tealtronic developments is also attributable to a few other examples of somewhat dubious proceedings with Government money to aid ailing companies in high unemployment areas...

Switzerland via business transactions for which state credits were not intended. As regards Tealtronic, the trade unions said in Nijmegen today that they, and the current management, had been greatly surprised by the Economics Ministry decision to stop injecting money. The unions have threatened industrial action to force the Government to change its mind and free the necessary funds which the management said it needs to have, to put the company back on its feet...

Stores disappoint

BY OUR OWN CORRESPONDENT

FRANKFURT, Jan. 6

WEST Germany's two largest store groups have reported rather disappointing performances in 1976. Karstadt, Europe's largest retailing group, reported that turnover, excluding that of its travel interest, went up by only 27 per cent...

DM7.92bn. (£1.98bn.). The Karstadt department stores showed a 2.2 per cent growth rate with turnover, including value added tax, rising to DM6.79bn. Travel turnover went up by 2 per cent to DM1.65m. Kaufhof, Karstadt's leading competitor, reported a 3.7 per cent increase in turnover, including VAT, it reached DM5.90bn. (£1.79bn.).

United Republic of Cameroon U.S. \$15,000,000

Five-year term loan Managed by Chase Manhattan Limited First National Bank in Dallas Wells Fargo Bank N.A. and Provided by Allied Bank International Bank of Montreal Banque Intercontinentale Arabe Banque Internationale Pour l'Afrique Occidentale (BIAO) The Chase Manhattan Bank, N.A. Credit Chimique Credit Suisse Equator Bank Limited First International Bancshares Limited First National Bank in Dallas The First National Bank of Boston Wells Fargo Bank N.A. Agent Bank Wells Fargo Bank International

BNP bond issue increased

By Tony Hawkins

THE BANQUE NATIONALE de Paris floating rate Eurobond issue has been increased in size from \$40m. to \$60m. in the face Remaining terms for the six-year note issue remain unchanged with a coupon of 4 per cent, above the six-month London interbank rate with a minimum of 53 per cent. This second floating rate note issue to be increased in size in as many days. On Wednesday it was announced that the Bank Hand-lowy of Warsaw issue of five-year notes had been raised in size from \$30m. to \$35m. The Hand-lowy notes, priced at 97 1/2 interest at 2 per cent, above Libor with a 6 1/2 per cent minimum for the first two years and 7 per cent minimum thereafter.

In the deutchemark sector it was confirmed yesterday that Sanko Steamship of Japan will make a DM100m. issue next week with a final maturity of seven years. The lead manager will be Berliner Handels Und Frankfurter Bank.

In Swiss Francs, the 'Energie Atomique' is to raise Sw.Frs.90m. over 15 years on a 5 1/2 per cent coupon. The issue will run from January 17 to January 20 with Credit Suisse as leader and will be followed by another Sw.Frs.50m. offering, this time for the Republic of Austria.

Austria is a strong name in the Eurobond market at present and it would not come as any surprise to see the coupon being cut to 5 1/2 per cent over 15 years for this issue.

Prices were firmer again in secondary market trading yesterday after Wednesday's brief bout of nerves. Seasoned bonds were from 1 to 1 1/2 point better while newer issues were up to 1 better reflecting the happier tone on the New York bond market. U.K. names were again in some demand advancing by up to one point in some cases but Canadian dollar issues drifted easier showing falls of about 1/4 of a point in the dollar sector. There is little selling in evidence, and dealers have found it difficult to trade except where switching has been taking place into the lower priced paper.

BONDBRADING INDEX Thursday-Wednesday

Table with 2 columns: Bond Type, Index Value. Includes Medium Term, Long, and Convertible bonds.

Advertisement for Canadian Imperial Bank of Commerce 9 1/2% Debentures. Includes details on early maturity option, price of 100 and accrued interest, and a list of participating dealers.

Advertisement for Citibank, N.A. announcing the opening of a Representative Office in Finland. Includes contact information for Robert C. Bennett, Vice-President and Finland Representative.

Handwritten Arabic text at the bottom of the page.

PANIES... Penalty of... Service... Proposals for... Kaiser... to Dallas... to Bank N.A... to Arab... Overseas... of Boston... national... of... Office... D... round... of... Bank...

# INFLATION pushes credit total close to new peak

**BY TONY HAWKINS**  
Euro-currency bank credits increased 36 per cent last year to reach \$28.6bn, the second largest total to date... Inflation has pushed credit total close to new peak.

# Receiver appointed at FEP

**BY H. K. LEE**  
SINGAPORE, Jan. 6. THE SINGAPORE-BASED Far Eastern Publishers International (FEP), one of the biggest book publishing firms in south-east Asia, is to be put into receivership... Receiver appointed at FEP.

# Working with the Wallenbergs

BY WILLIAM DULLFORCE, NORDIC CORRESPONDENT

THE BID by KemaNord, a relatively small chemicals company, for the international conglomerate Swedish Match has electrified the Swedish business scene... Working with the Wallenbergs.



Mr. Lars-Erik Thunholm

**Resistance**  
Both companies fall within the sphere of influence of the Wallenbergs, who have dominated Swedish business life for some 40 years... Resistance.

and, before the offer was made, there had been informal approaches to Mr. Sundberg to replace Mr. Rolf Deinoff as Swedish Match's managing director... Working with the Wallenbergs.

## Employees

One further element cannot be ignored. On January 1 Sweden's new co-determination law, giving still undefined but increased influence over decision-making to employees, came into force... Employees.

# Deposits rise by 28% at BAWAG

**BY PAUL LENDVAI**  
VIENNA, Jan. 6. BAWAG, the Austrian trade union bank, reports a 28 per cent rise of its consolidated balance sheet to a record level of Sch.30.7bn... Deposits rise by 28% at BAWAG.

# WHAT HAVE MITSUBISHI CORPORATION AND BERNI INNS LTD. GOT IN COMMON?



**A Further Strengthening of Anglo-Japanese Trade Links**  
Berni Inns Japan Ltd. is a joint venture of Nippon Meat Packers and Mitsubishi Corporation... A Further Strengthening of Anglo-Japanese Trade Links.

# Turnround at Ardal

**BY FAY GJESTER**  
OSLO, Jan. 6. ARDAL of Sundal Verk, Norway's state-controlled aluminium concern, expects operations in 1976 to show a profit of around Kr.20m... Turnround at Ardal.

Financial data table with columns for March 31, 1976, September 30, 1975, and March 31, 1975. Rows include Total trading transactions, Net income, and Cash dividends.



and exporting iron ore from West Africa. In a joint venture with Pechiney Ugine Kuhlmann of France, Mitsubishi has contracted to explore for uranium in the American Northwest... Working to Build a Better Tomorrow.

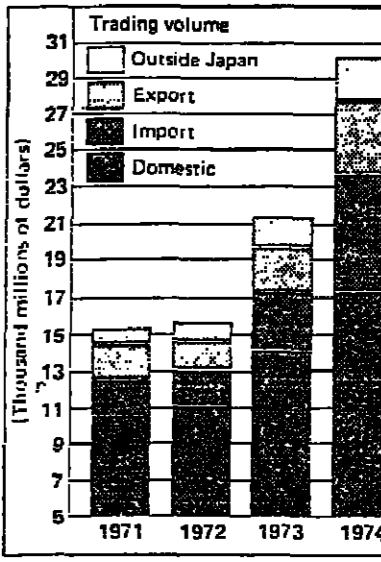
# SELECTED EURODOLLAR BOND PRICES

Table of Selected Eurodollar Bond Prices with columns for Offer, Bid, and various bond types like US Govt, Municipal, etc.

# Making the Most of Our Opportunities

Because Mitsubishi is the largest general trading company (sogo shusha) in Japan, we are in a position to reduce risk, to cut distribution costs and to plough back our accumulated experience into new areas... Making the Most of Our Opportunities.

research, new movements in finance, insurance, advanced technology and product development, better methods of warehousing, transportation, new advances in systems engineering... Other Projects.



Mitsubishi Corporation logo and address information: Head Office: 6-3, Marunouchi 2-chome, Chiyoda-ku, Tokyo 100, Japan. London Branch: Bow Bells House, Broad Street (Chappside), London, EC4M 9BQ.

WALL STREET OVERSEAS MARKETS FOREIGN EXCHANGES GOLD MARKET

Early mild rally on bargain hunting

BY OUR WALL STREET CORRESPONDENT

A MILD RALLY developed on Wall Street today following bargain hunting on optimistic comments from economists on U.S. business outlook.

By 1 p.m. the Dow Jones Industrial Average regained 4.40 to 982.55 and the NYSE All Common Index recovered 18 cents to 338.77.

Closing prices and market reports were not available for this edition.

however, decreased 1.91m. shares to 12.34m. compared with 1 p.m. yesterday.

In a published report, economists said economic growth this year may be somewhat stronger than they had first anticipated.

WEDNESDAY'S ACTIVE STOCKS

Table with columns: Stock, Closing Price, Change, % Change

Table with columns: Ind. div. yield %, Dec. 31, Dec. 24, Dec. 3, Year ago (approx.)

Table with columns: Stock, Jan. 6, Jan. 5, Jan. 4, Dec. 29, Dec. 22, Dec. 15, Dec. 8

Table with columns: Stock, Jan. 6, Jan. 5, Jan. 4, Dec. 29, Dec. 22, Dec. 15, Dec. 8

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with lower sales for the month, held unchanged at \$3.

Keating moved up \$1 to \$171 million on a possible merger with U.S. business outlook.

Harman International, which last traded at \$24, was expected to open on a firm note. It said it is seeking a merger.

Tandy gained \$1 to \$411 on higher December sales.

But National Semiconductor fell \$1 to \$23 on lower second-quarter earnings.

U.S. Steel eased \$1 to \$43 on its reduced forecast of 1977 industry steel deliveries to 95-100m. tons from an earlier estimate of 100m. tons.

American Telephone and Telegraph Preferred "A" stock firm \$1 to \$30 on 86,500 shares.

Data General rose \$1 after reporting first quarter earnings rose to 36 cents a share from 37 cents a year ago.

The American SE Market Value Index moved up 0.37 to 110.03, but the turnover decreased 190,000 shares to 1.35m. compared with 1 p.m. yesterday.

Canada mixed

Canadian Stock Markets were broadly flat in light trading yesterday morning.

Kelly Douglas climbed \$1 to were up \$1 to \$661, S.S. Kresge \$1 to \$39, J.C. Penney \$1 to \$50, and P.W. Woolworth also \$1 to \$23.

But Vornado, which came in \$33, and Steel of Canada were off

Financials and Banks were irregular, while small losses predominated in insurance and leading industrial.

In a moderately active foreign sector, Dollar stocks generally closed slightly lower, Dutch Internationals were barely steady, while Germans were narrowly mixed.

GERMANY—Mixed to slightly lower, due partly to weaker overnight Wall Street and partly to unconfirmed reports of possible forthcoming capital increases.

The capital increase reports concerned BASF, of D.M.I.S. Siemens, and Dresdner Bank, of D.M.I.S.

Stores Kaufhof held unchanged at DM23, despite higher 1976 turnover, but Karstadt lost

Dutch Internationals were lower on balance, but Phillips and Unilever each firm F10.2.

Transports were mixed, with KAL rising F12.50 on prospects of a property sale.

Banks fell sharply while insurances were unchanged to lower.

BRUSSELS—Prices rose sharply across the board, nervous trading following the one point cut to 8 per cent, in Belgian Bank Rate.

Steels were firm, non-Ferrous Metals were markedly higher. Authorities selling D.M.S. nominal stock of the latest Federal Loan and the 71 per cent segment each added D.M.15.

Foreign Exchanges

Sterling was slightly weaker in action, since the Washington Agreement, approved to 1.88 per cent from 2.07 per cent.

Gold fell \$1 to \$132.13 in very quiet trading. The Krugger's forward pound accompanied by its gold content widened slightly to 3.49 per cent delivery. There was also evidence from 3.47 per cent for domestic and international delivery.

England Minimum Lending Rate, which is expected to be cut by a further 1/2 per cent, although at one time yesterday a reduction of 4/8 per cent was suggested in some quarters.

The pound opened at \$1.7085-\$1.7095 in terms of the dollar, after touching a level of \$1.7115-1.7120 before settling at \$1.7085-\$1.7095.

It closed at \$1.7033-1.7083, a fall of two points on the day, as a further bout of light selling developed in the late afternoon in a rather thin market.

The pound's trade-weighted average depreciation since the Washington Currency Agreement of December, 1971, as calculated by the Bank of England, widened to 44 per cent from 42 per cent after standing at 44 per cent at noon and 43.9 per cent in early dealings.

Three-month sterling's discount against the dollar narrowed to 4.25 cents from 4.45 cents. The dollar gained ground against most major currencies, and Morgan Guaranty's calculation of its trade-weighted depreciation rose to 1.22 per cent.

AUSTRALIA—Generally firm, although late profit-taking pared some gains. Institutions were active in the afternoon, with volume picking up after the holiday period.

Among Mines, Utah rose 10 cents to \$4.90, Peko-Wallace \$2.25 to \$2.30, and Central Norseman 5 cents to 5.25.

Selcast were 2 cents up to 72 cents following its upgrade at report on the Teutonic bore prospect.

NOTES: Overseas prices shown below exclude 1/8 per cent commission. D.M.S. denoms. unless otherwise stated. P.F. denoms. unless otherwise stated. U.S. denoms. unless otherwise stated. U.S. \$ denoms. unless otherwise stated. U.S. \$ denoms. unless otherwise stated.

MARKETS CLOSED

Table with columns: Market, Price, Change, % Change

Table with columns: Market, Price, Change, % Change

Table with columns: Market, Price, Change, % Change

Table with columns: Market, Price, Change, % Change

Table with columns: Market, Price, Change, % Change

Foreign Exchanges

Table with columns: Market, Price, Change, % Change

Table with columns: Market, Price, Change, % Change

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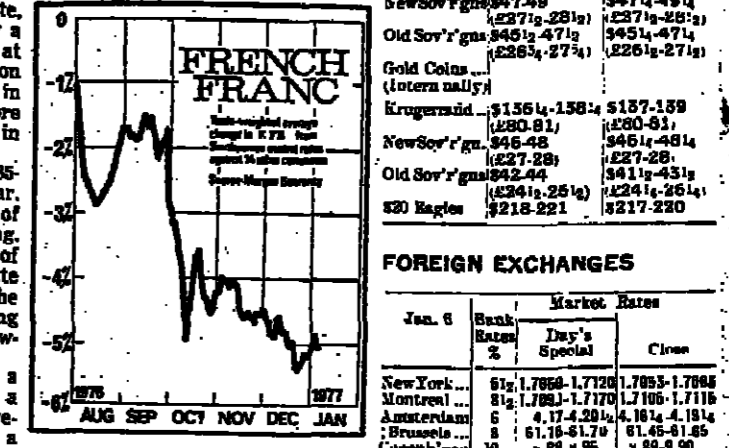
Table with columns: Market, Price, Change, % Change

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Table with columns: Market, Price, Change, % Change



SPECIAL DRAWING RIGHTS RATES

Table with columns: Country, Rate, % Change

Table with columns: Country, Rate, % Change

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GOLD MARKET Tin breaks through 'ceiling' through 'ceiling' By John Edwards, Commodities Editor

TIN BROKE through the International Tin Agreement 'ceiling' on Wednesday night when the Straits price rose by \$315.75 to \$11,227.125 a picul.

BRITAIN'S DAIRY industry hit out strongly yesterday at suggestions by New Zealand producers that the U.K. should continue to import NZ cheddar cheese after 1977.

BAKON PRICES should be pushed up by 7p a lb in the shops next week following a cut in first hand prices yesterday.

Lower grain crops forecast WASHINGTON, Jan. 6. U.S. soybean stocks will be down to pipeline levels next week...

EEC farm fund grants BRUSSELS, Jan. 6. GRANTS TOTALLING about agricultural and fisheries structural improvements...

Choice Besides his stance on the 'green £' issue Mr. Silkin has supported the equivalent of a freeze on European farm prices...

Direct rubber purchase talks planned KUALA LUMPUR, Jan. 6. UNIROYAL MALAYSIAN Plantations said its U.S. parent...

Unviable Farmers and the dairy trade fear that if supermarkets or other agencies could buy milk from individual farms...

U.S. Markets Copper and silver slip; grains easy COPPER closed a little lower with trade in the markets. Silver traded lower on news of a possible...

Table with multiple columns: BASE METALS, LEGAL NOTICES, COMMODITY MARKET REPORTS AND PRICES, COFFEE, WOOL FUTURES, RUBBER, GRAINS, JUTE, PUBLIC NOTICES, EDUCATIONAL, FINANCIAL TIMES, REUTER'S, DOW JONES, MOODY'S.

STOCK EXCHANGE REPORT

Widespread gains with Gilts again leading the way Index up 5.1 at 367.8, after 372.6—Golds ease afresh

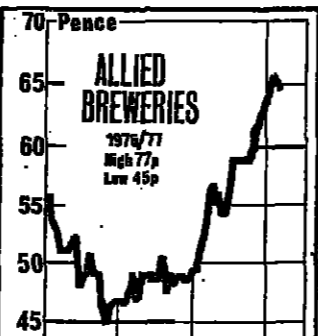
Account Dealing Dates
Option
\*First Declared Last Account
Dealings (ions Dealings Day
Dec. 15 Dec. 30 Dec. 31 Jan. 12

next level would be 991. Un-
hindered by the presence of a
tap issue, the medium recorded
the largest gains which extended

interest rates. Gains of 8 were
seen in Gough Cooper, 4p, and
Blockley, 45p, while Fairview

Barely changed for most of the
day. Stores eased in the late trade.
Gussies A were finally 5 off at

forward in active trading and on
portfolio plan selection and rose
to 488p prior to settling 4 dears



FINANCIAL TIMES STOCK INDICES

Table of stock indices with columns for index number and percentage change. Includes Government Sec, Fixed Interest, Industrial Ordinary, Gold Mines, etc.

19 am. 367.1 11 am. 367.7 Noon 372.4 1 pm. 378.4
2 am. 372.7 3 am. 377.1
Latest index 367.8

HIGHS AND LOWS

Table showing high and low prices for various stock categories like Govt. Sec, Fixed Int., Ind. Ord., and Gold Mines.

S.E. ACTIVITY

Table listing S.E. activity for various companies including Govt. Sec, Fixed Int., Ind. Ord., and Gold Mines.

After a slow start, leading
equities moved ahead smartly on
some good buying, and by noon
the FT 30-share index was showing

Home Banks ended below the
best, with Barclays closing 6 up
and the Lloyds 5 up.

Among the small-priced issues,
Francis Perker advanced 2 to 8p.
Standing at 35 1/2 at the house

Hotels and Caterers also made
headway. Trust Houses Forte
moved up 4 to 11 1/2 with the

Investment Trusts continued to
make buying during the course
of a reasonable recovery. Big

GILOTS SURGE ON

Yield opportunities continued to
attract a large investment
demand in British Gilts yesterday

BANKS BELOW BEST

Home Banks ended below the
best, with Barclays closing 6 up
and the Lloyds 5 up.

GEFC FIRM

Electricals closed at, or near, the
day's best following a reasonable
business. Awaiting news of the

IND. LEADERS BETTER

By buoyed by the firm per-
formance of gilt-edged the Miscel-
laneous industrial leaders pushed

OILS ERRATIC

Wall Street influences caused
an opening reversal in British
Petroleum, but the price rallied

GILOTS LOWER AGAIN

The further decline in the
bullion price to 133.625 per
ounce, a loss of 7 1/2 cents, con-
tinued to depress South African

RISES AND FALLS

Table showing rises and falls for various stock categories like British Funds, Foreign Bonds, etc.

F.T.—ACTUARIES SHARE INDICES

Large table of Actuaries Share Indices with columns for Equity Groups, Fixed Interest, and All-Share Index. Includes sub-sections like Capital Goods, Building Materials, etc.

ACTIVE STOCKS

Table of active stocks with columns for Stock, Denomina, Closing, Change, etc.

OPTION DEALING DATES

Burton 'A' General Electric, J.
Lyons, P. & O. Deferred, T. Jones
and Burnham OIL Puts were done

MONEY MARKET

Bank of England Minimum
Lending Rate for 1977, 12 1/2%
(since December 24, 1976)

SIGNAL ON INTEREST RATES

The authorities gave an indication
to the London money market
yesterday that they do not wish

NEW HIGHS AND LOWS FOR 1976/77

Table listing new highs and lows for various securities in 1976/77.

BASE LENDING RATES

Table showing base lending rates for various banks and institutions.

NEW LOWS

Table listing new lows for various securities.

RATES IN THE TABLE BELOW

Members of the Accepting Houses
Committee.
7-day deposit 11 1/2% 3-month deposit 11 1/2%

CORAL INDEX

Table showing Coral Index rates for various insurance products.

INSURANCE RATE

Table listing insurance rates for Property Growth, Caupon Insurance, etc.

Handwritten Arabic text: محمد بن المصطفى



AUTHORISED UNIT TRUSTS

STOCK INDICES

Table of stock indices including FTSE 100, FTSE 250, and various sector indices.

Table of Unit Trust Managers (U.T.M.) including Abbey Life Assurance, City of Westminster Assur. Soc, and others.

Table of Unit Trust Managers (U.T.M.) including Hill Samuel Unit Tr. Mgrs., M & G Group, and others.

Table of Unit Trust Managers (U.T.M.) including NEL Trust Managers Ltd., Great & Prosper Group, and others.

Table of Unit Trust Managers (U.T.M.) including Target Tr. Mgrs. Ltd., TSB Unit Trusts, and others.

Table of Unit Trust Managers (U.T.M.) including TSB Unit Trusts, TSB Unit Trusts, and others.

RISKS AND BASE LEASING RATES

Table of regional market data including share prices and regional indices.

FOOD PRICE MOVEMENTS

Table of food price movements for various commodities like BACON, BUTTER, CHEESE, EGGS, BEEF, LAMB, WUTTON, and POULTRY.

INSURANCE, PROPERTY, BONDS

Table of insurance, property, and bond offerings from various companies.

TENDERS & CONTRACTS Journal AT LAST! For Commerce, Trade and Industry, an important new publication...

Table of Offshore and Overseas Funds including various international investment vehicles.

ENTERTAINMENT GUIDE (Cont'd.)

Table of entertainment listings including cinema, television, and radio programs.

ART GALLERIES

Table of art gallery listings and exhibitions.

NOTES

Notes section containing various financial and market commentary.



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INDUSTRIALS—Continued

Table listing industrial stocks with columns for Stock, Price, % Chg, and other financial metrics.

INSURANCE

Table listing insurance companies and their stock prices.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft related stocks.

Commercial Vehicles

Table listing commercial vehicle stocks.

Components

Table listing component stocks.

Garages and Distributors

Table listing garage and distributor stocks.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publisher stocks.

PAPER, PRINTING, ADVERTISING

Table listing paper, printing, and advertising stocks.

PROPERTY

Table listing property-related stocks.

PROPERTY—Continued

Table continuing property-related stocks.

TRUSTS—Continued

Table listing trust funds and their performance.

TRUSTS—Continued

Table continuing trust funds.

NOMURA The Nomura Securities Co., Ltd. advertisement.

MINES—Continued

Table listing mining stocks.

FAR WEST RAND

Table listing Far West Rand stocks.

FINANCE

Table listing financial stocks.

DIAMOND AND JEWELLERY

Table listing diamond and jewelry stocks.

CENTRAL AFRICAN

Table listing Central African stocks.

AUSTRALIAN

Table listing Australian stocks.

TINS

Table listing tin stocks.

COPPER

Table listing copper stocks.

MISCELLANEOUS

Table listing miscellaneous stocks.

NOTES

Notes section providing financial commentary and market analysis.

TEAS

Table listing tea stocks.

Sri Lanka

Table listing Sri Lanka stocks.

AFRICA

Table listing African stocks.

MINES

Table listing mining stocks.

CENTRAL RAND

Table listing Central Rand stocks.

EASTERN RAND

Table listing Eastern Rand stocks.

Additional notes and financial information at the bottom of the page.

Drink the clean drink

BELL SCOTCH WHISKY

FINANCIAL TIMES

Friday January 7 1977

FAG Keep things rolling

Bank takes steps to slow expected lending rate fall

THE DOWNWARD trend in interest rates is likely to be resumed today with a further 1 per cent. fall in the Bank of England's minimum lending rate. The Bank yesterday acted to avoid an even sharper reduction. Expectations of a cut in MLR helped to fuel continued strong demand for gilt-edged stocks. Following the substantial sales made by the authorities in the past few days the market felt a new up stock issue might be announced to-day.

Bread price settling at compromise 18p

BOTH Mr. Roy Hattersley, Secretary for Prices and Consumer Protection, and the leaders of the bread delivery drivers' union seem to have won a limited victory over the question of bread prices. The price of a standard loaf in supermarkets seemed to be settling down yesterday at 18p. This is above the 17p which the United Road Transport Union said officially was the minimum it would tolerate, but below the 19p level which some militant members in the south-east set as the minimum.



Mr. Roy Jenkins yesterday launched his new career as president of the EEC Commission with a pledge to continue working towards the construction of a European union, in spite of the considerable problems confronting the Community.

Callaghan and Schmidt to meet at Chequers

HERR HELMUT SCHMIDT, West German Chancellor, will visit London on January 23 and 24 for talks with Mr. James Callaghan, at Chequers. The visit is a continuation of the regular six monthly series of top level meetings between the two countries.

Mozambique's Machel pledges help towards Rhodesia peace

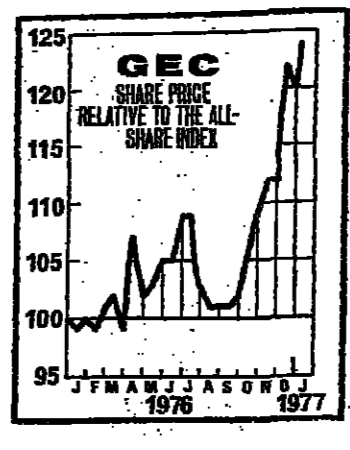
PRESIDENT Samora Machel of Mozambique, whose harbours most of the Rhodesian nationalist guerrillas, yesterday pledged that the British chairman of the Rhodesia conference, Mr. Ivor Richard, would find the necessary co-operation for the right solution to Rhodesia from his Government.

THE LEX COLUMN

GEC financing breakthrough

The rally in equities continues apace and the FT 30-Share Index has now risen by over a 100 points from last year's October low. Ahead of to-day's expected quarter point cut in MLR, the Government Broker was again operating the long tap (roughly half has gone), and the odds are that a new short tap will be announced this afternoon to stop the market getting out of control.

Index rose 5.1 to 367.8



GEC's capital reconstruction represents a major breakthrough for the financial markets. It is built around a new debt instrument—floating rate capital notes, to be listed on the Stock Exchange—which will be very real interest to many companies who want to borrow long but are scared off by high nominal interest rates.

Of course the market has had plenty of time to anticipate the scheme and the shares have been sharply re-rated since the autumn. At 180p, they carry rights to an aggregate prospective yield of 5.2 per cent., while the prospective p/e—allowing for the cost of servicing the notes—is around eight.

Now for the technicalities. As expected, the scheme hinges on the existence of a large share premium account (£257m.), which arose as a result of the AEI and English Electric acquisitions in 1967 and 1968.

Advertisement for Hayes industrial diamond at Hayes, Middx. Features: New factories and warehouses, 12,000-110,000 sq. ft., initial rents from £1.24 per sq. ft.

Meriden plea for aid refused

Government is prepared to make the Government to justify a further £1m. Meriden forecast a small profit by March 1978 after (Italy) to make around 30,000 gears a year and it is talking to another Italian concern, Ducati, about assembling engines—about assembling engines—about assembling engines—about assembling engines—

Continued from Page 1
GEC £178m. move
needs for investment outside the U.K.
The capital reconstruction will be achieved through capitalising £178m. of the share premium account of £257m. into capital shares, which will then immediately be cancelled and replaced by the floating rate loan notes for issue to shareholders.

Weather and Business Centres table. Includes U.K. TO-DAY weather forecast and BUSINESS CENTRES table with columns for City, Wind, and Rain.